

The term "medical appliances" is defined in 86 Ill. Adm. Code 130.310(c). This regulation was amended, effective June 24, 2002. (This is a GIL.)

November 18, 2004

Dear Xxxxx:

This letter is in response to your letter dated September 16, 2004, in which you request information. The Department issues two types of letter rulings. Private Letter Rulings ("PLRs") are issued by the Department in response to specific taxpayer inquiries concerning the application of a tax statute or rule to a particular fact situation. A PLR is binding on the Department, but only as to the taxpayer who is the subject of the request for ruling and only to the extent the facts recited in the PLR are correct and complete. Persons seeking PLRs must comply with the procedures for PLRs found in the Department's regulations at 2 Ill. Adm. Code 1200.110. The purpose of a General Information Letter ("GIL") is to direct taxpayers to Department regulations or other sources of information regarding the topic about which they have inquired. A GIL is not a statement of Department policy and is not binding on the Department. See 2 Ill. Adm. Code 1200.120. You may access our website at www.ILTAX.com to review regulations, letter rulings and other types of information relevant to your inquiry.

The nature of your inquiry and the information you have provided require that we respond with a GIL. In your letter you have stated and made inquiry as follows:

We are writing your good offices to request for the list for low rate and high rate for foods, drugs and medical appliances.

We are starting our operations and because of this, we are very particular in the set-up of our sales tax rates. We had called on various occasions to check on our concerns for sales tax and were given the information which led us to download the Illinois Sales Tax Rate Reference Manual. However, because of the nature of the products that we buy for re-sale to our various markets, we are told that the various products could be on the low rate or high rate [i.e. wheelchairs are at 2% low rate, whereas hospital beds are at 8.5% high rate]. We had downloaded already the Illinois Department of Revenue Regulations Title 86 Part 130 Section 130.310 as a guide but is still not sufficient so when we called again, we were informed to write you since the people in the office have the list of foods, drugs, and medical appliances for low rate and high rate but could not fax or mail to us the copy.

Therefore, we are requesting your good offices to kindly make available for us the list for low rate and high rate for foods, drugs, and medical appliances.

Please feel free to contact us if you have any questions.

Thank you for your kind attention, assistance and positive action on the above requests.

DEPARTMENT'S RESPONSE:

The Department does not publish a list of items, which specifies the tax rate applicable to various medical and drug items. We have published a regulation, however, which explains what types of items are considered to be medical appliances and drugs, and therefore qualify for the reduced rate of tax. Please see 86 Ill. Adm. Code 130.310. In January of 1990, the Department revised the term "medical appliance" in response to judicial interpretation of the regulation. In addition, this regulation was recently amended, effective June 24, 2002, to clarify what constitutes a "medicinal claim."

You may find additional up-to-date information concerning the tax liability of certain medical equipment and supplies by referring to the Department's sales tax "Letter Rulings" which may be found under the term "Legal Research" on the Department's internet website.

I hope this information is helpful. If you require additional information, please visit our website at www.ILTAX.com or contact the Department's Taxpayer Information Division at (217) 782-3336. If you are not under audit and you wish to obtain a binding PLR regarding your factual situation, please submit a request conforming to the requirements of 2 Ill. Adm. Code 1200.110 (b).

Very truly yours,

Edwin E. Boggess
Associate Counsel

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